

*Original Research*

# **The Impact of Transformational Leadership on Employee Turnover Intention: The Mediating and Moderating Role of Affective Organizational Commitment and Job Embeddedness**

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## **Abstract**

The influence of transformational leadership (TL) on employee turnover intention (ETI) in SMEs is explored in this research, including the mediating and moderating function of affective organizational commitment (AC) and job embeddedness (JE). Data was obtained from 456 workers of SMEs using convenience sampling. The numerous associations were estimated using Smart PLS structural equation modelling (PLS-SEM). The study's findings indicate that transformative leadership and ETI have a negative and substantial association. Consequently, AC and JE mediated the association between transformative leadership and employee turnover intention. Lastly, the transformative leadership and employee turnover connections are favorably moderated by job embeddedness. To improve JE and AC and reduce employee turnover, SMEs should implement transformational leadership abilities such as developing a compelling vision for the workforce, fixating on goal attainment, having conflict approaches, a feeling of belonging, and interacting on staff professional development. Leaders should employ transformational leadership traits include creating a vision statement for employees, emphasizing on desired outcomes, implementing challenge solutions, having a purpose and direction, and devoting time to team professional development.

**Keywords:** Employee turnover intention, transformational leadership, affective organizational commitment, job embeddedness.

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## Introduction

Human resources are crucial since the sustainability of an organization's strategy is determined by the circumstances of its workforce (Syah, 2018). If individuals are reflecting on leaving the company, it demonstrates that their cognitive relationship to the corporation has weakened (Ludi Wishnu Wardana, 2020). Disengagement from work and disregard of obligations are signs of employee turnover intention (Flint, 2013). Employee embedding and turnover are currently a topic of increasing interest in strategic design (Aboobaker N. &, 2019). Employee attrition is not a recent phenomenon. Every year, billions of individuals worldwide lose their occupations. Professionals choose to leave regardless of all of the financial privileges that come with employment. The researchers noted several factors that influence the decision to depart throughout instances of job strain (Aboobaker N. E., 2017). When it comes to workforce attrition, small and medium-sized businesses (SMEs) encounter a lot of ambiguity (Park, 2019). When an individual leaves their profession, there are two alternative outcomes. They often join another company or find themselves jobless (Lee S. E., 2020). Through a way to sustain a competent person, the company must understand the potential of turnover and the variables that impact it. Replacing positions available comes at a high price in terms of finances (Staw, 1980). SMEs are viewed as a stimulant and accelerator that drives and drives the country's socio-economic development to an advanced rank (Madanchian, 2017). SMEs are started and driven by leadership (Avolio, 1991). Furthermore, leadership is essential in helping SMEs achieve greater success and growth (Amagoh, 2009). Conversely, in SMEs, a credible ambiance is pivotal (Polónia & Capelão, 2018). Leadership is a critical factor that affects employee and organizational well-being (Deichmann, 2015). TL has been central concern in the leadership theory among research and practice times over the past. When achieving organizational success, the association's leadership is expected to do all required measures to encourage subordinates. Many correlations were established between transformational leadership and the frequency of departure (Wells & Peachey, 2011).

According to several research, transformative leadership tends to lower the possibility of a turnaround (Bycio, 1995). The corporate climate, infrastructure, degree of development, workplace conditions, and skill levels are more demanding than ever before in the modern era. SMEs play a vital role in the globe with such a competitive environment. SMEs continued to play a key role in the economic growth of Asian countries. Others are attempting to use the same approach to encourage SMEs in order to attain the desired economic expansion (Lukács, 2005; Mathews, 2006). There is no broad idea of a small business, and it differs from country to country (Abe et al., 2012). SMEs are constantly confronted with a variety of issues (Arham, 2014). Unsatisfactory professionals, a lack of trained and informed individuals, an inadequate resources, and, most importantly, the leadership position and administrative expertise are all constraints (Ndubisi & Saleh, 2006). Furthermore, employee retention is one of the most inherent problems (Seyal, 2004). The lack of proper leadership styles and practices is one of the major factors of SMEs failing (Ladzani, 2009). There is a compelling necessity to explore appropriate leadership to reduce attrition in SMEs (Arham, 2014). The focus of this research is to bring combined academic work in an attempt to reconcile a gap by investigating and establishing a link between newly discovered variables in the same

framework. Moreover, the impact of TL on ETI is evaluated in SMEs particularly in developing countries like Pakistan using AC and JE.

## Literature Review

Leadership relates to persuading many to comprehend and cooperate on what to be has accomplished and the operation of assisting individuals and groups in achieving common goals (Yukl, 2010). Transformational leadership is critical because it allows individuals from different to collaborate constructively toward shared objectives (Lee M. , 2014). It places premium on reform to improve the intent of enhancing organizational performance from poor to adequate (Mullins, 2007). In our analysis the independent parameter TL is connected to four criteria comprising individual consideration (IC) which specify to the premise of focusing and prioritizing the requirements of associates. Intellectual stimulation (IS) is defined as top management providing assistance and guidance to teammates in order to build up unique suggestions on how to fix standard guidelines to achieve successful accomplishments which reduces turnover intentions. Individualized motivation (IM) entails assisting individuals to succeed. The leader ensures and communicates an aim for the workforce and the staff is motivated to reach that goal. Leaders assist and encourage their associates in accomplishing their work. Establishing a visual demonstration as leadership and displaying the attributes of integrity, righteousness, optimism, passion, and excellent interpersonal are all examples of idealized influence (II) (Bass, 1985). These factors have a substantial impact on ETI in SMEs. TL and ETI were two distinct investigation fields for several decades. However, over the last half-century century, awareness in merging these two notions has developed, relying on the supposition that workers are inclined to be impacted by their prompt managers' leadership conduct (Purcell, 2007) . TL has been demonstrated to be a crucial factor in reducing attrition rates and promoting well-being. In that vein we propose that we should investigate the link between TL and ETI.

The attrition of a worker is described as an individual who quits the company before their legal and specified duration, whereas the intention to leave of an individual is characterized as a professional who expects to leave the workplace at their intrinsic reasons prior to their actual contract or tenure (Loquercio, 2006) . The only difference between the two concepts is that it occurs in the middle of the operation. It is an intention before the action is executed; after the action is taken, it will be counted in the turnaround (Ongori, 2007). Other aspects including work engagement, organizational commitment, job performance, and job embeddedness in conjunction with transformational leadership have been found to influence turnover rates (Chan, 2010).

Numerous researchers have been striving to clarify the notion of commitment by distinguishing its particular features for some period now (Meyer J. a., 2001). (Meyer J. S., 2002) proposed three elements of organizational commitment: affective, continuance, and normative commitment (Meyer J. a., 1997). AC is a crucial aspect of organizational commitment that relates to workers' personal ties to the enterprise (Allen N. M., 1991). "Employees with strong AC remain because they want to," as per (Allen M. a., 1990). (Meyer J. S., 2002) revealed that affective commitment is rather stable with high internal consistency and that of the three dimensions, AC is the most dominant (Stazyk, 2011). It can foster a strong loyalty and devotion to the organization encouraging

workers to remain on board and work for the objectives (Meyer J. P., 2004). Individual's positive organizational behavior is thus driven by emotional symptoms (Eisenberger, 2010). The notion of the correlation among the cognitive process and social exchange behavior is known as social exchange theory (SET). As per this theory workers behavior is guided by certain interactions that provide a compensation (Homans, 1958). Employees contribute their AC to the organization in exchange as per this approach (Rhoades, 2001). SET is the foundation for understanding the interconnection between TL and AC (Leroy, 2012). Reliability and recognition with managers are developed by constant communication with individuals and the exchanging of norms. In this investigation, we explore the indirect influence of TL on ETI based on AC as supported by (Allen N. M., 1991) in their study. The fulfillment of an individual's wants and aspirations will be the foundation of commitment (Hackman, 1975). Firms should try to fulfill the criteria of their employees in order to reduce workers turnover and improve effectiveness. Prior study has discovered a positive association between TL and AC (Yucel I. M., 2013) as well as a negative relationship between AC and ETI (Guntur, 2012).

Job embeddedness is a collection of influences that might entice professionals to get invested in the corporation (Mitchell, 2011). JE refers to a set of factors that work together to keep people from leaving or abandoning their professions (Holtom, 2004). Mitchell and colleagues were the first to articulate JE with the intent of enhancing conventional employee attrition assumptions. JE also emphasizes that if an organization's ability to attract people is better, individuals are more likely to remain in the workforce rather than depart. As a result, JE can help to reduce attrition. The concept of work or unemployment has a substantial impact on an individual's quality of work life. When professionals are deeply engaged in their occupations, they develop a strong linkage with the company that increases their interest in the firm. Transformative leaders motivate their adherents to seek purpose in work and influence is contingent on one's level of JE as deep links encourage people to stay put (Ng, 2007).

The study suggested that AC and JE may be important factors affecting employee turnover intentions with TL. Individuals with stronger level of emotional involvement do have a maximum level of an effective response to the enterprise and a greater level of degree of association (Allen N. M., 1991). In other words if managers exhibit quality of a good transformative leader it will result in less turnover intention and enhance more JE and AC in the cooperation. The literature assessment and prerequisites also aided in the formulation of a turnover policy for individuals who have a typical potential to escalate from task to task around the globe. The contribution of key aspects that affect ETI including transformative leadership, affective organizational commitment, and job embeddedness has been established in reviewed research. As a consequence, a framework based on theoretical approaches and implications was constructed, emphasizing the attainable criteria (Figure 1).

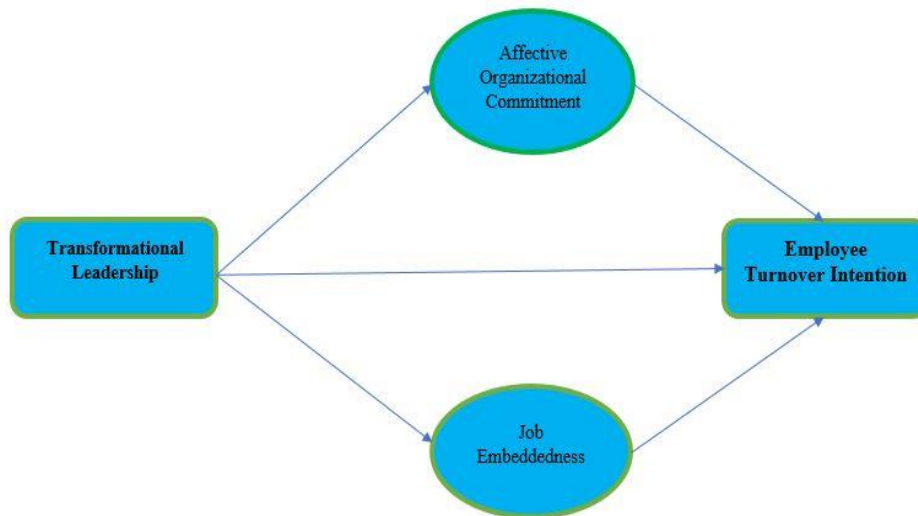


Figure 1: Research Framework

## Hypotheses Development

This research examined the link between TL and ETI. AC and JE were also included as mediating and moderating variables to see if they had any influence on the connection among TL and ETI. Figure 1 illustrates a conceptual model. The Smart PLS structural design was used to estimate the following hypotheses:

H1: There is a significant negative relationship among transformational leadership and employee turnover intention.

H2: Transformational leadership is positively related to affective commitment.

H3: There is a significant negative relationship between affective commitment and employee turnover intention.

H4: Transformational leadership has significant impact on job embeddedness.

H5: Job embeddedness has significant relationship with employee turnover intention.

H6: Affective commitment mediates the relationship between transformational leadership and employee turnover intention.

H7: Job embeddedness mediates the relationship between transformational leadership and employee turnover intention.

H8: Affective commitment moderates the relationship between transformational leadership and employee turnover intention.

H9: Job embeddedness moderates the relationship between transformational leadership and employee turnover intention.



## Method

This was a cross-sectional research study. Through academic evidence, our analysis assessed the influence of transformative leadership on SMEs' employees. Meanwhile, the role of JE and AC in mediating and moderating the relationship among transformative leadership and employee turnover intention was addressed. Employees of manufacturing and services SMEs in Pakistan associated in this investigation. A sample size of 456 was determined using random sampling technique. A total of 600 employees were contacted directly and remotely to distribute the questionnaires. Out of the 510 questionnaires received, 54 were discarded owing to missing content and partial responses.

## Results

### *Demographic Analysis*

The data obtained shows that there are 305 male respondents with a percentage of 66.9%. While the female respondents were 151 people with a percentage of 33.1%. This shows that male respondents are more dominant than female. When viewed from an age perspective, there were 402 respondents aged 20-30 years with a percentage of 88.2%. Respondents aged 31-40 years were 48 people with a percentage of 10.5%. Respondents aged 41-50 years were 5 people with a percentage of 1.1%. Respondents of 51 & above years old were 1 people with a percentage of 0.2%. This shows that respondents aged 20-30 years are the most dominating among other ages. Meanwhile, based on education level, respondents with bachelor's degree were 253 people with a percentage of 55.5%. Respondents with master education were 131 people with a percentage of 28.7% and respondents with MSc education were 27 people with a percentage of 4.4%. Respondents with PHD degree were 45 people accounting or 9.8%. This shows that the respondents are dominated by respondents with bachelor's education. 389 respondents worked 1 - 5 years with a percentage of 85.3%. Respondents with a working period of 5-10 years were 58 people with a percentage of 12.7% and respondents with a working period of 11-15 years were 4 people with a percentage of 0.9%. Respondents having work experience of 16-20 and 21-25 were 2 people with 0.4%. Lastly 25-above was only 1 person with 0.2%. This shows that the respondents are dominated by respondents with a working period of 1-5 years (Table 1).

Table 1 | Demographic Information Summary

| Controls   | Scale      | Frequency | Valid Percent |
|------------|------------|-----------|---------------|
| Gender     | Female     | 151       | 33.1          |
|            | Male       | 305       | 66.9          |
| Age        | 20-30      | 402       | 88.2          |
|            | 31-40      | 48        | 10.5          |
|            | 41-50      | 5         | 1.1           |
|            | 51 & above | 1         | 0.2           |
| Experience | 1-5        | 389       | 85.3          |
|            | 5-10       | 58        | 12.7          |

| Controls      | Scale    | Frequency | Valid Percent |
|---------------|----------|-----------|---------------|
|               | 11-15    | 4         | 0.9           |
|               | 16-20    | 2         | 0.4           |
|               | 21-25    | 2         | 0.4           |
|               | 25-above | 1         | 0.2           |
| Qualification | Bachelor | 253       | 55.5          |
|               | Master   | 131       | 28.7          |
|               | MSC      | 27        | 4.4           |
|               | PHD      | 45        | 9.8           |

### *Measurement Model Assessment*

The first stage in PLS-SEM research is to evaluate the measurement model, which ensures that only constructs with high reliability and validity are incorporated in the structural path model. The construct validity of the study was evaluated utilizing (1) convergent and (2) discriminant validity. The first one is verified by analyzing at the conventional loadings for each of the constructs with loadings greater than 0.6 being kept (Birkinshaw, 1995; Johansson, 1994). As shown in Table 2, the factor loading of the remaining items was within the necessary range of 0.740 to 0.914 in order to achieve satisfactory convergent validity (Chiang et al., 2012). The composite reliability (CR) of all the tests was greater than 0.70 and the convergent validity (AVE) was greater than 0.50. Five elements, ET1, ET4, JE1, JE5, and JE6 were discarded from the model due to low loadings of less than 0.6 based on the measurement model's results.

Table 2| Construct Validity and Reliability

| Items                       | Factor Loading | Cronbach Alpha | Composite Reliability | AVE   | VIF   |
|-----------------------------|----------------|----------------|-----------------------|-------|-------|
| Transformational Leadership |                | 0.949          | 0.954                 | 0.582 |       |
| II1                         | 0.772          |                |                       |       | 2.234 |
| II2                         | 0.750          |                |                       |       | 2.046 |
| II3                         | 0.743          |                |                       |       | 2.159 |
| II4                         | 0.776          |                |                       |       | 2.426 |
| II5                         | 0.814          |                |                       |       | 2.726 |
| IM1                         | 0.765          |                |                       |       | 2.178 |
| IM2                         | 0.762          |                |                       |       | 2.214 |
| IM3                         | 0.761          |                |                       |       | 2.186 |
| IM4                         | 0.766          |                |                       |       | 2.328 |
| IS1                         | 0.782          |                |                       |       | 2.285 |
| IS2                         | 0.762          |                |                       |       | 2.162 |
| IS3                         | 0.725          |                |                       |       | 1.976 |
| IS4                         | 0.760          |                |                       |       | 2.183 |
| IC1                         | 0.710          |                |                       |       | 1.902 |

| Items                               | Factor Loading | Cronbach Alpha | Composite Reliability | AVE   | VIF   |
|-------------------------------------|----------------|----------------|-----------------------|-------|-------|
| IC2                                 | 0.788          |                |                       |       | 2.380 |
| Employee Turnover Intention         |                | 0.697          | 0.867                 | 0.766 |       |
| ETI2                                | 0.852          |                |                       |       | 1.400 |
| ETI3                                | 0.898          |                |                       |       | 1.400 |
| Affective Organizational Commitment |                | 0.796          | 0.867                 | 0.620 |       |
| AC1                                 | 0.823          |                |                       |       | 1.669 |
| AC2                                 | 0.779          |                |                       |       | 1.603 |
| AC3                                 | 0.800          |                |                       |       | 1.719 |
| AC4                                 | 0.747          |                |                       |       | 1.438 |
| Job Embeddedness                    |                | 0.836          | 0.901                 | 0.753 |       |
| JE2                                 | 0.844          |                |                       |       | 1.837 |
| JE3                                 | 0.877          |                |                       |       | 1.992 |
| JE4                                 | 0.882          |                |                       |       | 2.056 |

Discriminant validity assesses the degree to which constructs differ from each other. Numerous ways to verifying discriminant validity available including Fornell Larcker and HTMT (the heterotrait-monotrait ratio of correlations). The first consideration is to use the Fornell Larcker technique to determine discriminant validity. The inter-correlations with any other constructs in the model should be less critical than the value of square root AVE. Table 3 presents that all of the AVE's square roots are stronger than their corresponding inter-correlations. As an outcome, the measurement model's reliability and validity have been confirmed to be appropriate.

Table 3| Discriminant Validity: Fornell Larcker

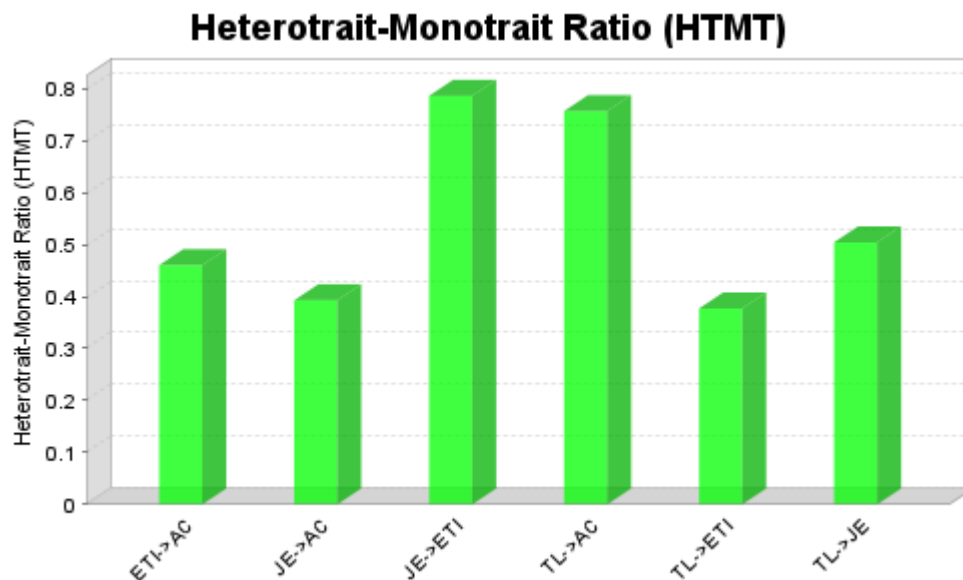
|                                     | Affective Organizational Commitment | Employee Turnover Intention | Job Embeddedness | Transformational Leadership |
|-------------------------------------|-------------------------------------|-----------------------------|------------------|-----------------------------|
| Affective Organizational Commitment | <b>0.788</b>                        |                             |                  |                             |
| Employee Turnover Intention         | -0.343                              | <b>0.875</b>                |                  |                             |
| Job Embeddedness                    | -0.325                              | 0.606                       | <b>0.868</b>     |                             |
| Transformational Leadership         | 0.663                               | -0.312                      | -0.449           | <b>0.763</b>                |

To demonstrate discriminant validity, the HTMT values must be less than 0.90 (Henseler, 2015). The maximum HTMT value was 0.786, which was lower than the cut-off value of 0.90, as shown in Table 4 and Graph 1. As a result, the discriminant validity of the constructs has been validated.



Table 4| Discriminant Validity: HTMT

|                                     | Affective Organizational Commitment | Employee Turnover Intention | Job Embeddedness | Transformational Leadership |
|-------------------------------------|-------------------------------------|-----------------------------|------------------|-----------------------------|
| Affective Organizational Commitment |                                     |                             |                  |                             |
| Employee Turnover Intention         | 0.460                               |                             |                  |                             |
| Job Embeddedness                    | 0.393                               | 0.786                       |                  |                             |
| Transformational Leadership         | 0.757                               | 0.377                       | 0.504            |                             |



Graph 1: HTMT

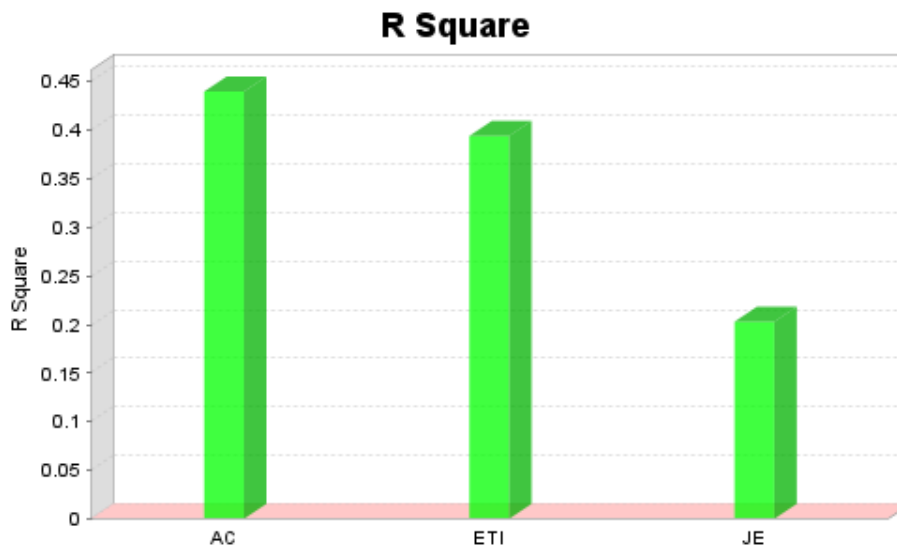
### *Structural Model Assessment*

The structural model assessment, as per (Hair J. F., 2013) incorporates the coefficient of determination ( $R^2$ ), multi collinearity (Inner VIF), and predictive relevance ( $Q^2$ ).  $R^2$  is used to assess the model's generalized estimation accuracy with a higher value of  $R^2$  indicating better fitness. The  $R^2$  values of regression coefficients are 0.394, 0.44 and 0.203 in Table 5 and Graph 2. Table 2 also illustrates that all of the VIF values for the item are less than 5 (Hair J. J., 2017) implying that the variables does not have any multi collinearity issue. A blindfolding test ( $Q^2$  statistic) is also used in PLS analysis as an additional evaluation of model fit to test predictive relevance. According to the Geisser (1975) model, a  $Q^2$  greater than zero is regarded as predictive. The findings in Table 5

shows that the value of  $Q^2$  was higher than 0. This reinforced the claim that the model's prediction quality is adequate.

Table 5| Structural Model Evaluation Results

| Construct | $R^2$ | Adj. $R^2$ | $Q^2$ | SRMR  |
|-----------|-------|------------|-------|-------|
| ETI       | 0.394 | 0.390      | 0.291 | 0.066 |
| AC        | 0.44  | 0.439      | 0.267 |       |
| JE        | 0.203 | 0.201      | 0.150 |       |



Graph 2 : R square

### *Direct Relationship Analysis*

A structured examination of the developed framework was carried out to provide a clear overview of the study's outcomes and test the hypothesis. The direct relationship among TL (independent variable) and ETI (dependent variable) are addressed. The size of coefficients was explored using the PLS-SEM formulization, and the relevance of the association was investigated using the PLS-SEM bootstrapping approach as shown in Figure 2. Table 6 present that TL has negative substantial influence on ETI ( $\beta = -0.320$ ,  $t = 6.126$ ,  $p = 0.000$ ) based on result of data analysis. H1 is supported because TL has a negative association with ETI as an outcome.

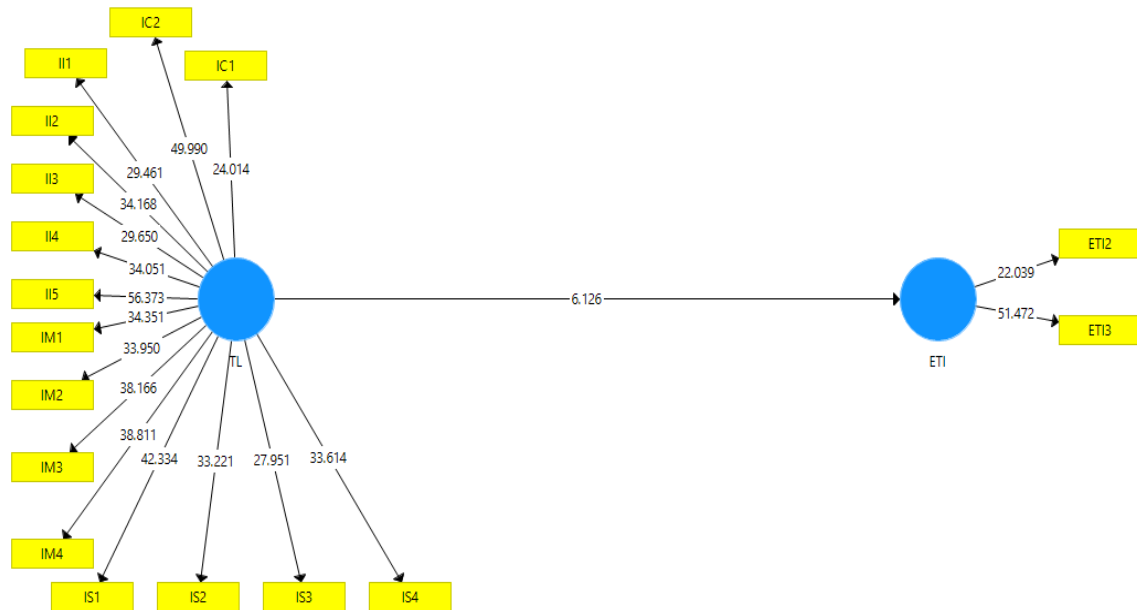


Figure 2: PLS Bootstrapping of TL and ETI

Table 6| Direct Effect Test Result

|          | $\beta$ | Mean   | STDEV | T Statistics | P-values | Decision |
|----------|---------|--------|-------|--------------|----------|----------|
| TL → ETI | -0.320  | -0.325 | 0.052 | 6.126        | 0.000    | Accepted |

### Path Analysis of Each Variable

The PLS bootstrapping approach is also used to perform path analysis for every variable involved (Figure 3). Table 7 shows the data analysis for every construct in order to undertake a more comprehensive assessment. AC and ETI have a negative connection ( $\beta = -0.368$ ,  $t = 2.367$ ,  $p = 0.018$ ) with each other. As a result, H3 is approved. The analysis demonstrates that TL has a positive relationship with AC ( $\beta = 0.760$ ,  $t = 19.99$ ,  $p = 0.000$ ), indicating that H2 is supported. There is also a connection involving JE and ETI. The results suggest that JE ( $\beta = 0.789$ ,  $t = 9.111$ ,  $p = 0.000$ ) has a significant relation with ETI, which accepts H5. TL and JE have a significant correlation ( $\beta = 0.505$ ,  $t = 8.125$ ,  $p = 0.000$ ), indicating that H4 is supported.

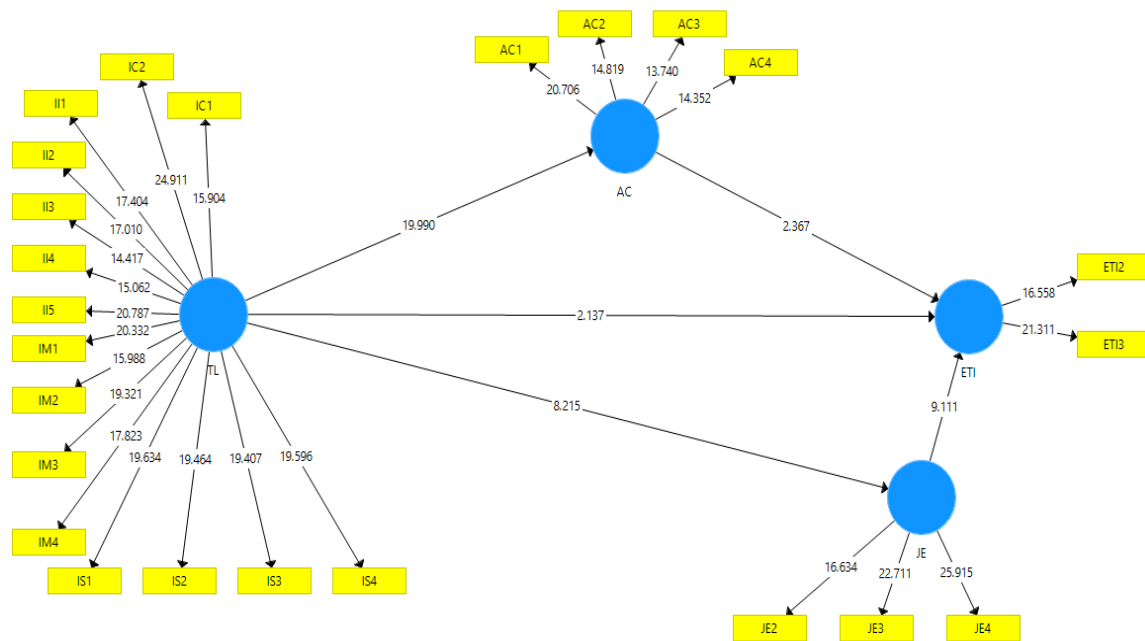


Figure 3: PLS Bootstrapping

Table 7| Path Analysis of Each Variable

|           | $\beta$ | Mean   | STDEV | T Statistics | p- values | Decision |
|-----------|---------|--------|-------|--------------|-----------|----------|
| AC -> ETI | -0.368  | -0.379 | 0.156 | 2.367        | 0.018     | Accepted |
| JE -> ETI | 0.789   | 0.79   | 0.087 | 9.111        | 0.000     | Accepted |
| TL -> AC  | 0.760   | 0.759  | 0.038 | 19.99        | 0.000     | Accepted |
| TL -> JE  | 0.505   | 0.507  | 0.061 | 8.215        | 0.000     | Accepted |

### Mediation Test

Bootstrapping involving 10,000 iterations was used to investigate the influence of the independent variable on the dependent variable across intervening components (Taylor, 2008) (Figure 4). Through the bootstrap test, it was confirmed that AC and JE played a significant mediating role between TL and ETI (Table 8). AC played a crucial negative mediating role between TL and ETI ( $\beta = -0.28$ ,  $t = 2.23$ ,  $p = 0.026$ ), implying that AC competently mediates the negative correlation between TL and ETI as a result of which there will be fewer unemployment motives. JE played substantial negative mediating role among TL and ETI ( $\beta = -0.398$ ,  $t = 5.69$ ,  $p = 0.000$ ), asserting that JE will increase with less turnover intentions of employees. As an outcome, H6 and H7 were approved.

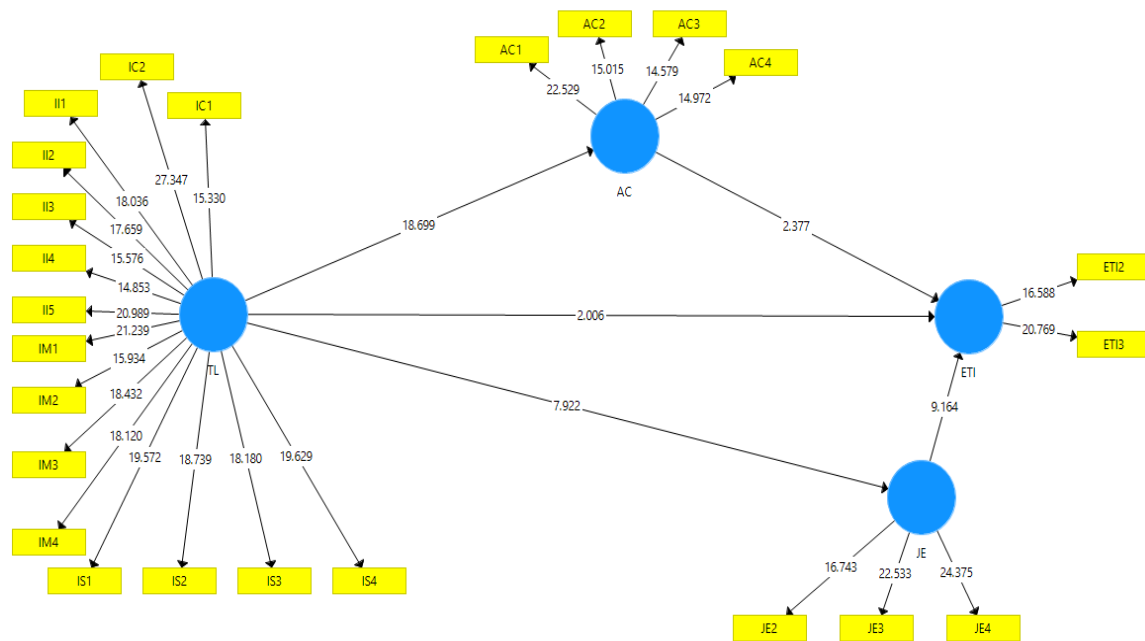


Figure 4: PLS Bootstrapping Mediation Test

Table 8| Mediation effects of hypothesized model

|                 | $\beta$ | Mean   | STDEV | T Statistics | p values | Decision |
|-----------------|---------|--------|-------|--------------|----------|----------|
| TL -> AC -> ETI | -0.28   | -0.289 | 0.126 | 2.23         | 0.026    | Accepted |
| TL -> JE -> ETI | -0.398  | -0.404 | 0.07  | 5.69         | 0.000    | Accepted |

### Moderation Test

A bootstrapping of 10,000 subsamples was used to test the moderation hypotheses developed (Figure 5). Before focusing on the moderating effects, we have already analyzed the direct relationships. The two-stage continuous moderation analysis is used to examine the AC and JE's moderation hypotheses along the direction between role TL and ETI (Hair J. F., 2017). The AC\*TL→ETI moderating effect ( $\beta = 0.175$ ,  $t = 1.186$ ,  $p = 0.236$ ) demonstrates moderation influence of AC with TL and ETI is not substantial. Since AC does not modify the link between TL and ETI, H8 is rejected as a consequence (Table 9). The moderating impact of JE\*TL→ETI ( $\beta = 0.109$ ,  $t = 2.116$ ,  $p = 0.035$ ) demonstrates that the interaction between JE and TL and ETI is statistically substantial which leads to acceptance of H9.

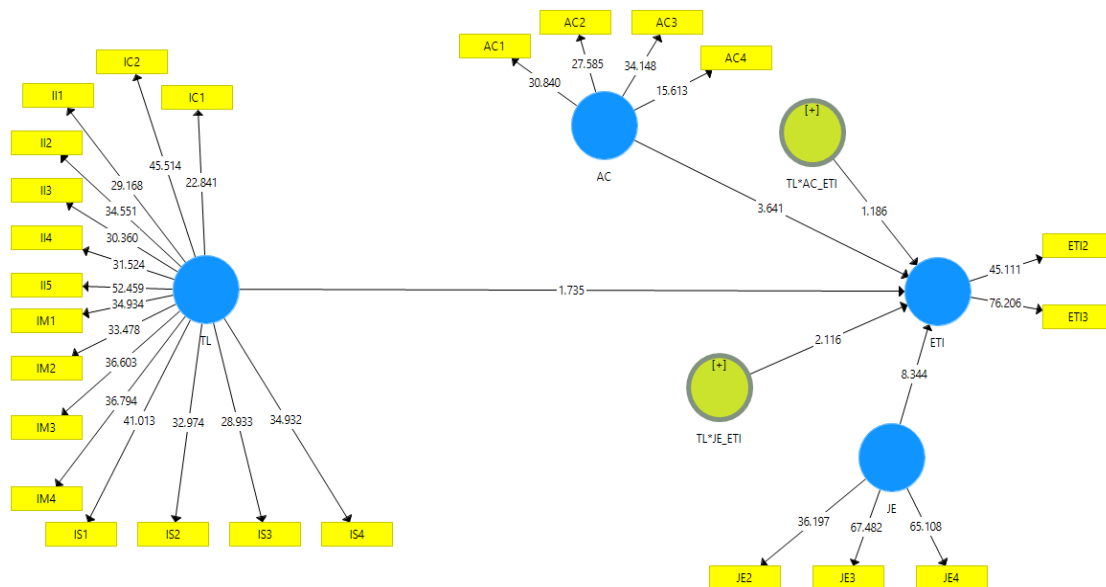


Figure 5: PLS Bootstrapping Moderation Test

Table 9| Moderation Effects Results

|              | $\beta$ | Mean  | STDEV | T Statistics | p-values | Decision |
|--------------|---------|-------|-------|--------------|----------|----------|
| TL*AC -> ETI | 0.175   | 0.14  | 0.147 | 1.186        | 0.236    | Rejected |
| TL*JE-> ETI  | 0.109   | 0.109 | 0.052 | 2.116        | 0.035    | Accepted |

## Discussion

Workers of all SMEs seek innovative leadership along with transformational leadership to help them become more motivated. It is the leadership's obligation. The leader's focus must be on the requirements of their workers. Executives should exchange their unique ideas with their subordinates in the workplace since this will boost their drive. The leaders must strike a balance between their own and their followers' interpretations. Employee retention is a consequence of transformative leaders which motivates employees and restores JE and AC among subordinates by building a sustainable atmosphere. Although leaders are prepared to surrender control to individuals, subordinates like the flexibility that allows them to work at their own pace. It would be feasible to train subordinates and encourage them in the proper direction which would boost job embeddedness and affective commitment using effective and transformational leadership. Existing findings demonstrate transformational leadership that inspire employee retention, and it can influence employee turnover intention mediating through JE and AC as per findings of this study. Our insights serve as foundation research on the role of AC to an organization at various levels of analysis (Meyer J. S., 2002). Importantly our outcomes show that the level of emotional commitment and interaction with the corporation has an impact on individuals' perceptions of their direct manager's leadership (Walumbwa, 2011). Functional benefits such as processing workmates, attempting to make knowledgeable determinations, integrating strategies, delegated progression,



strengthening, and endorsing associates for doing a commendable job were prioritized in progress in implementing transformational leadership changes which ensured JE and AC of the workforce (Hassan, 2019). The findings agree with those of prior investigations. In an analysis of the banking sector in Ghana, it was discovered that transformative leadership has a substantial negative association with employee turnover intentions (Amankwaa, 2015). The role of JE as a moderator between these parameters was also investigated in this study. Correspondingly, (Siew, 2017) evaluated leadership and turnover intentions in SMEs and discovered that leadership traits have a substantial impact on ETI.

The analysis revealed that H1 is accepted which shows that TL has direct impact on ETI and they have negative association between them. The preceding approach was used to investigate H2, H3, H4 and H5 by running structural model without mediator. The indirect effects and significant values were estimated using the initial model. When mediator was introduced in our structural model the objectives of H6 and H7 was achieved. Assessments revealed that AC and JE play significant mediating role among TL and ETI. We have also added AC and JE as moderators to check strength of relationship among TL and ETI. Analysis show that JE played significant moderating role among TL and ETI. Unfortunately data of employees collected from SMEs shows that AC did not moderate the relationship among TL and ETI. Hence H8 was rejected whereas H9 was accepted. Given the importance of TL in the survival and expansion of SMEs, it's crucial to analyze the influence of leadership styles in lowering employee turnover intentions. Moreover, leadership styles benefit the AC and JE.

## Conclusion

The final conclusion can be derived from the discussion and analysis. First there's a negative and significant relationship between TL and ETI. This means that better the application of TL there will be a decrease in turnover intention of employees. TL has negative influence on turnover intention. If TL gets dominant then ETI will decrease. Second, TL has positive influence on AC which states that with proper practices of TL affective commitment for firms will increased among employees. Third, AC has negative association with ETI. When AC increases there will be less likely that employee will leave the corporation. Fourthly TL has significant relation with JE explaining that when TL is provided by managers it will create work embeddedness among workers. Lastly we also analyzed that JE play significant role in making employees more connected to their jobs. Through mediation test we confirmed that AC and JE will have indirect effects between the path of TL and ETI. Hence when AC and JE are introduced as mediators they will play significant role for ETI under the influence of TL. AC and JE mediator's role is to assist TL-ETI toward their own goal. The mediators AC and JE help to identify the strategic issues, clarify each other's perspectives and move closer with TL-ETI. Next we did moderation test of AC and JE between TL-ETI. We observed that data gather from workers of SME's show that AC did not moderate the relationship among TL-ETI however JE as moderator shows significant relationship among TL-ETI. We concluded from our analysis that JE will strengthen the relationship for TL-ETI for the employees of SEM's in Pakistan. It can also be deduced from the research findings that implementing procedures to influence workers above and beyond the call of obligation in benefiting both the firm as a whole and individuals is beneficial. In the same manner as TL is

transforming the working atmosphere of SMEs, transformational leaders perform a key role in SMEs. AC and JE will rise among workers if adequate transformative leadership is provided.

### **Implications**

This study has some theoretical and practical implications. Existing studies on transformative leadership and turnover intentions have been conducted in the working framework (Hughes, 2010; Pettigrew, 1987) despite comprehending the phenomenon of ETI has received minimal emphasis, the function of transformative leadership has gained more. This analysis bridged the gap by concentrating on employee behavior which works in ways into a desire to leave. According to the study findings, transformative leadership style inspire and empower workers to internalize the corporate's strategic mission in such a way that they feel glad to be a part of it. The theoretical approach was constructed after a comprehensive examination of the literature. Through AC and JE, this paradigm studies the direct and indirect effects of TL on ETI.

The study's findings support the theory by confirming the applicability of the SET. Additionally, this theory assumes that workers will cooperate in a given relationship, the outcomes supported the idea that good leadership styles lower the likelihood of turnover. This research adds to our knowledge of the proposed pathways AC and JE by which transformative leadership affects employee turnover intentions in SME's of Pakistan. The further value of this study is that it adds empirical evidence from emerging countries like Pakistan to the literature. This finding provides to the theory's contribution. Importantly, it offers up options for further investigation by incorporating other ideas, allowing for a cross approach to this issue (Yucel I. A., 2014). This research has some practical importance. The research findings are factual and evidence-based. In addition, the insights are valuable to senior management and operational professionals in SMEs. Considering firms are now dominating and defeating the conflict of competitiveness by employability, top executives are continually striving to reduce ETI. The analysis are useful for professionals who are continually striving to create a staff that is eager to go beyond for the corporation. By implementing such leadership styles, leaders can further strengthen their relationship with their followers, encouraging them to do things better and building trust, which leads to fewer turnover intentions. As an outcome of the study, SMEs should make greater initiatives to strengthen employee commitment and embeddedness by utilizing such tools. This research demonstrates information that may be useful to young entrepreneurs looking to create businesses in Pakistan. Moreover, our research suggests that leaders should receive coaching and mentoring to help them become more transformational in addition to fostering motivation in followers, leading to lower turnover intentions and overall improvement.

### **Limitations and Future Research**

This research demonstrates an in-depth examination of the impact of transformative leadership styles on turnover intentions. Unfortunately, there are significant limitations to this research. The method of this research is cross-sectional. Consequently, the conclusions of this study can only be applied to SMEs. There is a considerable discussion about leadership methods and no comprehensive leadership practices in particular have

been agreed upon. As an outcome, our research lays the path for potential research into the impact of alternative leadership styles on turnover intentions, as well as the abandoning dispute and effectiveness. Experimental design or longitudinal design may be used in future investigations. Future research could build on the findings of this study and apply our approach to different leadership styles. However, subsequent research could look at the same theoretical framework in other domains such as hospitals, education, and banking. Future research could focus on individuals at the highest levels of management. Conversely, regional factors that may influence such variables have received limited attention. Future research should take cultural factors into account when assessing correlations.

### Authors' Contributions

The first author generated the idea of this research, developed research design, collected part of the required data, analysed the data, compiled the whole work, and reviewed the paper several time.

The second author supervised the whole work gone through the whole work several times, and made many important corrections.

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